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TAGS: [KNNP](#) [MNUC](#) [PARM](#) [EWWT](#) [IR](#) [BE](#)
SUBJECT: IRAN'S URANIUM PROGRAM, EU SANCTIONS AND IRISL
ACTIVITIES IN PORT OF ANTWERP

REF: A. SECSTATE 15979
[1](#)B. SECSTATE 16219
[1](#)C. BRUSSELS 381

Classified By: ACTING POL/ECON COUNSELOR ROBERT KIENE FOR REASONS 1.4 (B) AND (D)

[1](#)1. (C) SUMMARY: On February 25, Acting PolEconCouns and PolIntern met with Werner Bauwens, the Belgian MFA's Special Envoy for Disarmament and Nonproliferation, regarding ref A and B demarches. Bauwens said Belgium regards Iran's insistence on moving forward with a higher level of uranium enrichment as a violation of Iran's international commitments, highly provocative, and useless as a practical matter for any purpose other than weapons production. He said that the EU is currently discussing the technical issues involved in possible new sanctions. Bauwens said the EU will wait until the UNSC imposes its sanctions, which he believes will be fairly light, and then issue its own sanctions which will be much more onerous. He believes that new sanctions should address and impact Iranian interests directly related to nuclear proliferation and not be linked to political or human rights concerns, especially in the eye of the Iranian public. Bauwens said that Belgium is aware of the insurance issues surrounding the Islamic Republic of Iran Shipping Lines (IRISL) and the UK's ban on its companies doing business with the company. This information has been forwarded to the Port of Antwerp for review. He said that the Belgian company Antares, formerly the IRISL subsidiary IRISL Benelux, has been fully acquired by the Belgian company Ahlers. He reluctantly admitted that Antares continues to provide services to IRISL, as do other Belgian companies in the port of Antwerp. END SUMMARY.

IRANIAN URANIUM ENRICHMENT & POSSIBLE EU SANCTIONS

[1](#)2. (C) Acting PolEconCouns delivered ref A demarche and non-papers to Bauwens. Bauwens said that Iran's move to enrich uranium to the 20% level is a clear violation of its commitments to the UN and IAEA. Iran's step is very provocative, and comes at a time when the world needs of signal of Iran's willingness to cooperate. The practical uselessness of the enrichment process, in view of Iran's lack of capacity to fabricate reactor elements, indicates Iran's real intent. The history of clandestine operations and intelligence reports about the real nature of Iran's nuclear program make it impossible to trust Iran, he said. He said he never thought that the time President Obama gave Iran to negotiate in good faith would produce results.

[1](#)3. (C) Bauwens said that the EU foreign ministers confirmed the dual track approach to Iran's nuclear program in a meeting this week, but given the lack of success on the

negotiations track, has begun to discuss sanctions. The EU wants to give priority on imposing sanctions to the UNSC, where a consensus of the P5 will be necessary. This will show the matter is truly of global concern. He mentioned Catherine Ashton's recent trip to Moscow, and said that she had received contradictory messages from the Government of Russia about its support for sanctions. President Medvedev seemed to be on board, he said, but FM Lavrov seemed to believe that outreach to Iran was still necessary. In the end, he thinks, Russia will not want to put the brakes on a consensus. China is a much bigger problem, he said, especially in light of recent tensions between the United States and China. Bauwens said that while a P5 consensus is not possible now, March would be a good time to try for one, because in April Lebanon will become the chair of the UNSC and will be unlikely to support a resolution.

14. (C) Bauwens said that as the U.S. and EU consider new sanctions against Iran, they should try to keep them targeted on proliferation activities, and avoid the appearance of linkage to human rights or domestic Iranian politics. A message that the nuclear program is unacceptable is necessary, but when and how to intervene should be carefully considered in order to prevent a strong, adverse domestic reaction in Iran, he said. Sanctions should be as firmly based in international law as possible, because the Iranians, no less than the Russians, take a formalistic approach to such matters. As examples of appropriate linkages, Bauwens mentioned banks, the Revolutionary Guards, insurance companies and the Iranian national bank. In the end, he said, Belgium is willing to go "quite a long way" on sanctions, but wishes that great care be taken in what is said and how the sanctions are imposed. He said that

technical discussions are now getting under way in the EU about the shape of new sanctions. The Belgians have been urging the EU to get going on such discussions since December, because they want the EU to be ready to announce measures it will take immediately after the UNSC announces its own. He expects any UN sanctions to be the result of the least common denominator of negotiations, but the EU sanctions to be much tougher. Belgium, he said, wants EU sanctions to be fair to all member states and not impact the economy of any states disproportionately. "We are not afraid to pay," he said, "but all others in the EU should pay as well." Another concern, Bauwens added, is that sanctions the EU may impose should be implementable and enforceable by national customs and other trade officials with reasonable effort.

IRISL INSURANCE PROBLEMS AND PORT OF ANTWERP

15. (C) Acting PolEconCouns delivered ref B demarche and non paper to Bauwens. Bauwens said he is aware of the IRISL fleet's difficulties in finding insurance and that the UK and Bermuda governments have banned port operators from dealing with the Iranian company. Bauwens said that before Belgium would take similar action, Antwerp port officials and companies will have to evaluate the situation and the consequences of a ban on dealing with IRISL. Post intends to discuss the situation with officials in Antwerp.

16. (C) Bauwens reconfirmed that the Belgian company Ahlers has completed its takeover of IRISL's subsidiary in Belgium, IRISL Benelux (ref C). IRISL Benelux is under the same USG sanctions as its parent company, IRISL. Bauwens said that IRISL has no remaining financial interest in its former subsidiary, now known as "Antares". He added that Ahlers has tried to set up "a Chinese wall" between IRISL and Antares. Bauwens had no information about whether Ahlers and/or Antares have made an application to the State Department to remove IRISL Benelux/Antares from the list of IRISL subsidiaries subject to USG sanctions. Bauwens was not comfortable talking about existing arms-length commercial relations between Antares and IRISL, although he did admit that Antares provides services to IRISL, as do other companies operating in Antwerp.

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